

## ASX ANNOUNCEMENT

25 September 2017

### PIOP MATURATION WORK – PROGRESS UPDATE

Flinders Mines Limited (FMS or Company) is pleased to provide the following progress update relating to the maturation work that is currently underway at the Company's owned Pilbara Iron Ore Project (PIOP).

Since re-establishment of the camp facilities in early June 2017, FMS has made substantial progress with the on-ground activities. Despite some initial set-backs with lower than optimal core recovery rates from diamond drill rigs, the mobilisation of two additional sonic drill rigs improved core recovery and the metallurgical drilling program is now complete. The drill rigs on site are now being deployed to the geotechnical drilling program which is scheduled for commencement in the last week of September and completion by mid-November 2017.

Hydrological drilling activities will commence within 3 weeks, post the imminent award of this specialist drilling contract. Definition of the hydrological conditions on site are needed to establish mine plans and complete the water balance analysis for related licences.

The core recovered from site is progressively being transported to the laboratory in Perth for analysis. To date approximately 50% of the samples have been despatched for assay with approximately 10% of the assay completed. The Company anticipates the assay work will be completed in the December Quarter. Given the detailed analysis program and the subsequent technical interpretation, the Company anticipates that the results of this work will be available after the end of the March quarter 2018.

Following the shortfall of approximately \$6.5 million from the Company's May 2017 Entitlement Issue (\$16m), and additional costs incurred as a result of the initial drilling challenges highlighted above the Board is considering the options for raising the additional funds required to ensure timely completion of the maturation work. The Board expects to update the market on the proposed funding strategy as soon as a decision on the proposed funding options has been determined.

## **About Flinders Mines Limited**

Flinders Mines Limited is an ASX-listed (ASX:FMS) exploration and development company focused on the commercialisation of its large, high quality hematite resource - the Pilbara Iron Ore Project (PIOP).

The PIOP is located approximately 70km from Tom Price in Western Australia's iron ore-rich Pilbara region. The project consists of two 100% owned tenements – M47/1451 (Blacksmith) and E47/1560 (Anvil) – and has a total (Inferred, Indicated and Measured) JORC-compliant resource of 1,042 million tonnes at 55.6% Fe using a 50% Fe cut-off grade. The project has received environmental approvals and the Company is currently determining the optimal development path.